

Message Text

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PAGE 01 JIDDA 05738 180542Z
ACTION TRSE-00

INFO OCT-01 NEA-10 ISO-00 EB-08 COME-00 FRB-03 /022 W
-----077149 180545Z /15

R 180447Z AUG 77
FM AMEMBASSY JIDDA
TO SECSTATE WASHDC 9327

LIMITED OFFICIAL USE JIDDA 5738

PASS TO TREASURY, DIRECTOR, INTERNATIONAL OPERATIONS DIVISION,
L'ENFANT PLAZA

E.O. 11652: N/A
TAGS: EFIN, OTRA, SA, US
SUBJECT: PROPOSED EXAMINATION OF SAUDI ARABIAN BRANCHES OF CITIBANK

REF: (A) STATE 165036 (B) JIDDA 5522 (C) TRSY 161434Z

1. WE HAVE NOW BEEN GIVEN COPY OF LETTER FROM SAMA DIRECTOR
GENERAL OF BANKING CONTROL REFERRED TO IN REFTEL B, THOUGH
ORIGINAL HAS NOT YET ARRIVED. QUOTED BELOW IS TEXT OF
LETTER.

2. QUOTE: I HAVE TO REFER YOU TO YOUR LETTER OF JULY 16. AS
WE BELIEVE THAT FOREIGN BANK OFFICES FUNCTIONING IN THE KINGDOM
ARE SUBJECT TO ITS EXCLUSIVE JURISDICTION, WE DO NOT, AS A
MATTER OF PRINCIPLE AND OF OUR GENERAL BANKING POLICY AND
PRACTICE, ALLOW ANY FOREIGN GOVERNMENT AUTHORITY OR AGENCY TO
INVESTIGATE OR SUPERVISE THEIR LOCAL OPERATIONS. WE ARE
EQUALLY ANXIOUS THAT THE QUALITY OF BANK ASSETS IS SOUND AND
THAT BANK MANagements ARE FULLY ALIVE TO THEIR RESPONSIBILITIES
TO THEIR DEPOSITORS. THIS IS PRECISELY THE
OBJECTIVE AND FUNCTION OF OUR BANKING SUPERVISION AND, AS
YOU ARE AWARE, WE ARE ALSO INTRODUCING NOW A SYSTEM OF
REGULAR BANK EXAMINATIONS. WE WOULD HOWEVER LIKE TO
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ASSURE YOU THAT WE SHALL ALWAYS BE GLAD TO DEPUTE OUR
EXAMINERS TO FIND OUT AND REPORT ON ANY GENERAL ASPECT
OF THE BANK'S ADMINISTRATION AND OPERATIONS THAT THE
COMPTROLLER OF THE CURRENCY MAY LIKE TO BE LOOKED INTO.
END QUOTE.

3. WE HAVE DISCUSSED LETTER WITH MEMBER OF BANKING

CONTROL SECTION, WHO BELIEVES THAT SAMA HAS DENIED OUR REQUEST LARGELY TO AVOID CASTING SHADOW ON BONA FIDES OF ITS OWN BANK INSPECTION SYSTEM, TO BE LAUNCHED IN NEXT FEW MONTHS WITH AID OF FEDERAL RESERVE SYSTEM SPECIALISTS. WE ALSO SUSPECT THAT QUESTION OF CITIBANK SAUDIZATION MAY HAVE PLAYED SIGNIFICANT ROLE IN DECISION, AS INSPECTION BY U.S. OFFICIALS WOULD HAVE EMPHASIZED AMERICAN NATURE OF CITIBANK BRANCH AT TIME SAG IS TRYING TO DIMINISH IT. LETTER HAS APPARENTLY BEEN CLEARED BY SAMA GOVERNOR, AND WE SEE LITTLE CHANCE OF CHANGE IN THIS POSITION. WE BELIEVE, HOWEVER, THAT THERE MAY BE POSSIBILITY FOR SOME INSPECTION OF CITIBANK BRANCH BOOKS IF IT CAN BE DONE IN COOPERATION WITH AND UNDER AUSPICES OF SAMA INSPECTION GROUP (INCLUDING FED SPECIALISTS ON TDY). WE WOULD BE PREPARED TO SOUND OUT POSSIBILITIES IN THIS DIRECTION IF IT ACCEPTABLE TO COMPTROLLER.
WEST

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AUDITS, BANK BRANCHES
Control Number: n/a
Copy: SINGLE
Sent Date: 18-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977JIDDA05738
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770298-0884
Format: TEL
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770850/aaaabpoa.tel
Line Count: 79
Litigation Code IDs:
Litigation Codes:
Litigation History:
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Original Classification: LIMITED OFFICIAL USE
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Original Previous Classification: n/a
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